

**Family Centered Services of Alaska**  
**Grant #06-4-C-5010**  
**Consolidated Behavioral Health Center**  
**Close Out Report Narrative**

**Background:** The needs which we set out to address through our project were originally identified in August 2001 at a strategic planning meeting at which both the FCSA Board of Directors and management participated. The specific needs identified at the 2001 planning meeting, and further developed at additional meetings over the next 12 months, were the following:

- Expand and enhance consumer service;
- Improve consumer access by consolidating more services into one central location;
- Acquiring a consumer friendly service delivery facility with more functional staff work space;
- Reduce the cost of operation by obtaining ownership of a facility and eliminating the cost of paying monthly rent;
- Obtaining a stronger presence in the community by having a permanent and more visible location.

A summation of the needs that we set out to achieve with the financial assistance provided by the Denali Commission would be; FCSA recognized a need for additional work space to meet local consumer needs and a highly assessable single point of entry that would better meet an assortment of consumer needs at one location.

**Activities:** The time period when activities were undertaken to complete our project can be broken into two basic periods. The first period started in August 2001, when needs were identified and goals established and runs to September of 2005 when the actual property on which the facility would be built was purchased. The second period started September 2005 and continues to July 2007. This period covers architectural design work, all construction work and ended when we received our occupancy permit for our new facility. The period and activities occurred that is applicable to when FCSA received funding from the Denali Commission are fully included within the second period, September 2005 to July 2007. Specific activities that occurred in chronological order during that time period were:

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|--|----------------|-----------|
| • Property Purchase                          | September      | 2005      |
| • Finalizing Bank Financing                  | September      | 2005      |
| • Architectural Design                       | October to May | 2005-2006 |
| • Construction Permitting                    | May            | 2006      |
| • Construction Staff Hiring                  | May            | 2006      |
| • Ground Breaking                            | May            | 2006      |
| • Completion of Phase I, Facility Enclosure  | October        | 2006      |
| • Completion of Phase II, Interior Finish    | April          | 2007      |
| • Programs Relocate to new Facility, Phase I | April          | 2007      |



- Programs Relocate to new Facility, Phase II      May                      2007
- Punch List Items Completed                      June                      2007
- Occupancy Permit Issued                      July                      2007

It is important to note that FCSA did not hire a general contractor for the project. FCSA served as its own general contractor and directly hired its own construction staff to perform a majority of the work, with the major exception being the mechanical and electrical work which was subcontracted.

**Cost Containment:** The cost containment process for our project was managed internally by the reaffirmation and establishment of accounting processes within the fiscal department necessary to assure that all expenditures were pre-approved, monitored and verified for correctness prior to payment. All bids for subcontracted work were reviewed and selected by a bid review committee that had a member external to FCSA. When all bids exceeded our budgeted amount for a particular component the bid package was reassessed and if needed redesigned and re-bid. All change orders from subcontractors' required prior authorization of not only the project manger but the Chief Fiscal Officer and the Executive Director. Another cost containment process utilized included the implementation of a redundant cost tracking system managed by three independent cost monitors, utilizing different tracking methods that were constantly verified against each other. Those systems were managed individually by the Chief Fiscal Officer, Executive Director, and Project Manager. Each system tracked total project cost and encumbrances to date but, varied in detail with regard to the tracking of cost by major component such as electrical versus plumbing versus labor.

The total cost of our project was \$3,938,821 through June 30, 2007. The project ran approximately \$177,680 over our proposed budget because a determination was made, per discussion with our audit firm, to capitalize all administrative cost directly applicable to our project so as to provide the most accurate total cost of construction and not defer construction administrative cost into operating programs. FCSA was the single largest contributor to the project with a contribution of \$2,838,821. The chart below presents our proposed project budget by funding source compared to actual at completion.

<b><u>Funding Sources</u></b>	<b><u>Proposed</u></b>	<b><u>Actual</u></b>
FCSA	\$2,661,141	\$2,838,821
Denali Commission	500,000	500,000
Rasmussen Foundation	350,000	350,000
M. J. Murdock	200,000	200,000
Alaska Mental health trust	<u>50,000</u>	<u>50,000</u>
Total Project Cost	\$3,761,141	\$3,938,821

**Project Outcomes:** The completion of our project has allowed FCSA to achieve all the needs, noted above in the "Background Section" of this report, that were identified at the time our project was conceived. All needs that were identified and the resulting outcomes



were either directly or indirectly aimed at expansion and enhancement of services to consumers. This is even true with regard to the need to eliminate rental cost through ownership which has the benefit of increasing cash resources that can then be directly committed providing consumer services.

Some of the specific outcomes that were obtained from the successful completion of our project that were intended to be accomplished were: additional work space to expand services and reduce consumer waiting lists, elimination of the cost of rent, creation of a single point of entry for consumers, improved physical working conditions that have enhanced staff morale, and achieving a more prominent presence in the community.

Three positive and unexpected benefits were received through our project:

- Recognition by the entire staff of FCSA, and the Board of Directors that the organization had the perseverance and skilled staff to undertake an ambitious and challenging project and complete it to the highest quality level;
- The additional expertise that the management staff of FCSA was able gain by being involved in a project that had components that were outside of their regular scope of responsibility;
- Greater then expected recognition of the role FCSA plays in the health of the community from the general community as a result of the successful completion of our project.

**Problems Encountered:** Our project regularly presented challenges and required constant problem solving often on a daily basis however, none of the problems we dealt with, were beyond the spectrum of problems that we anticipated may occur, and no problem hindered the progress, or successful completion of our project.

There were no notable problems encountered in the implementation of our project and as a result we were very close to our project budget and under the standard contingency expenditure/percentage anticipated for a construction project the size of ours. In addition all the work was completed to the standards and quality we had established prior to the commencement of construction. One cost adjustment of note that was included into our project at a later date was the cost of project administration associated with FCSA being our own general contractor that was not incorporated into the original project budget. This point was also noted in the "Cost Containment Section" of this report.

**Conclusions and Recommendations:** The success of our project was due to the close working relationship between our architectural team, FCSA's project manager and the rest of the construction project team. In directing the construction project ourselves, without the use of a general contractor we were able to be involved in every aspect of the construction process this was a tremendous learning opportunity for the management of FCSA and it was an opportunity readily embraced by staff. Being our own general contractor also allowed us to modify the construction of our facility to better meet our needs while minimizing the cost of those modifications. The end result was that the employees of



FCSA were able to achieve a pride of accomplishment from a well done challenging project and a greater feeling of appreciation and ownership for our new facility.

With regard as to how our experiences may be used by others it would be our suggestion for other agencies to never perform construction work without a general contractor unless they have on staff a experienced individual like our project manger. Also, prior to construction to plan their project out in detail and not underestimate the staff time that will be necessary for the project to be completed successfully on budget, and on time as our project was.



**Family Centered Services of Alaska  
Project Expenditure Summary  
Grant # 06-4-C-5010**

The project total through June 30, 2007 of \$3,938,821 including the \$500,000 award from the Department of Health and Social Services, appropriated through the Denali Commission is broken down below:

Freight:	\$
Labor	\$
Materials	\$
Other: (Construction)	\$3,619,384
Planning and Design	\$ 229,141
Project Administration/Overhead	<u>\$ 90,296</u>

Total Expenditures reported for this award through June 30, 2007:	<u>\$3,938,821</u>
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